

BRIEF  
OBSERVATIONS  
CONCERNING  
TRADE,  
AND  
Interest of Money.

*in 1660*  
By J. C.



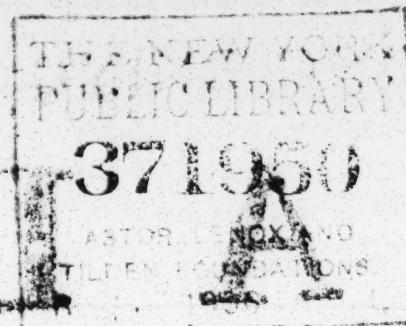
LONDON,

Printed for Henry Martlock, and are to be sold at his Shop,  
at the Sign of the White-Heart in Westminster-Hall.

1660.

1660  
anv.

24011A.V. H. 210



E

Q

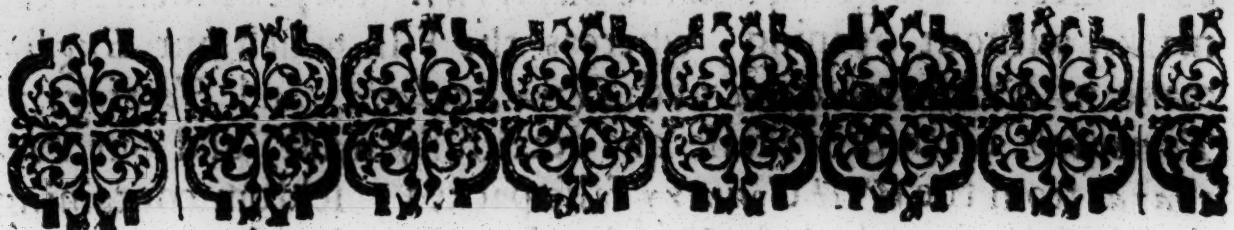
K

T

24011A.V. H. 210

24011A.V.

24011A.V. H. 210



## Brief Observations concerning TRADE, &c.



THE prodigious increase of the *Netherlands* in their domestick and forreign Trade, Riches, and multitude of Shipping, is the envy of the present, and may be the wonder of all future Generations: And yet the means whereby they have thus advanced themselves, are sufficiently obvious, and in a great measure imitable by most other Nations, but more easily by us of this Kingdom of *England*, which I shall endeavour to demonstrate in the following discourse.

Some of the said means by which they have advanced their Trade, and thereby improved their Estates, are these following:

First, They have in their greatest *Councils of State and War*, trading Merchants that have lived abroad in most parts of the World; who have not onely the Theoretical Knowledge, but the Practical Experience of Trade, by whom Laws and Orders are contrived, and Peaces with forreign Princes projected, to the great advantage of their Trade.

Secondly, Their Law of *Gavel-kind*, whereby all their Children posses an equal share of their Fathers Estates after their decease, and so are not left to wrastle with the world in their youth, with inconsiderable assistance of fortune, as most of our youngest Sons of Gentlemen in *England* are, who are bound Apprentices to Merchants.

Thirdly, Their exact making of all their Native Commodities, and packing of their *Herrings*, *Codfish*, and all other Commodities, which they send abroad in great quantities; the consequence whereof is, That the repute of their said Commodities abroad,

continues always good, and the Buyers will accept of them by the marks, without opening; whereas the Fish which our English make in *Newfound-Land* and *New-England*, and *Herrings* at *Tarmouth*, often prove false and deceitfully made, and our *Pilchards* from the *West Country* false packed; seldom containing the quantity for which the Hogsheads are marked in which they are packed.

And in *England* the attempts which our fore-fathers made for Regulating of Manufactures, when left to the Execution of some particular person, in a short time resolved but into a *Tax* upon the Commodity, without respect to the goodness thereof; as most notoriously appears in the business of the *AULNAGE*, which doubtless our Predecessors intended for a scrutiny into the goodness of the Commodity; and to that purpose a *Seal* was invented, as a signal that the Commodity was made according to the Statutes, which *Seals* it is said, may now be bought by Thousands, and put upon what the Buyers please.

Fourthly, Their giving great encouragement and immunities to the Inventors of New Manufactures, and the Discoverers of any New Mysteries in Trade, and to those that shall bring the Commodities of other Nations first in use and practise amongst them; for which the Author never goes without his due Reward allowed him at the *Publique Charge*.

Fifthly, Their contriving and building of great Ships to sail with small charge, not above one third of what we are at, for Ships of the same Burthen in *England*; and compelling their said Ships (being of small force) to sail always in Fleets, to which in all times of danger they allow *Convoy*.

Sixthly, Their parsimonious and thrifty Living, which is so extraordinary, that a Merchant of one hundred thousand pound estate with them, will scarce spend so much *per annum*, as one of fifteen hundred pounds Estate in *London*.

Seventhly, The education of their Children, as well Daughters as Sons; all which, be they of never so great quality or estate, they always take care to bring up to write perfect good hands, and to have the full knowledge and use of *Arithmetick* and *Merchants Accompts*; the well understanding and practice whereof, doth strangely infuse into most that are the owners of that quality, of either

either Sex, not onely an ability for Commerce of all kinds, but a strong aptitude, love, and delight in it; and in regard the women are as knowing therein as the men, it doth encourage their Husbands to hold on in their Trades to their dying days, knowing the capacity of their Wives to get in their Estates, and carry on their Trades after their Deaths: Whereas if a Merchant in England arrive at any considerable Estate, he commonly withdraws his Estate from Trade, before he comes near the confines of old Age; reckoning that if God should call him out of the World, while the main of his Estate is engaged abroad in Trade, he must lose one third of it, through the unexperience and unaptness of his Wife to such Affairs, and so it usually falls out.

Besides, It hath been observed in the nature of *Arithmetick*; that like other parts of the *Mathematicks*, it doth not onely improve the *Rational Faculties*, but inclines those that are expert in it to thriftiness and good Husbandry, and prevents both Husbands and Wives in some measure from running out of their Estates; when they have it always ready in their Heads what their expences do amount to, and how soon by that course their ruine must overtake them.

Eighthly, The lowness of their *Customs*, and the heighth of their *Excise*, which is certainly the most equal and indifferent Tax in the World, and least prejudicial to any People, as might be made appear, were it the subject of this discourse.

Ninthly, The careful providing for, and employment of their Poor; which it is easie to demonstrate can never be done in England comparatively to what it is with them, while it's left to the care of every Parish to look after their own only.

Tenthly, Their use of *BANKS*, which are of so immence advantage to them, that some not without good grounds have estimated the profit of them to the Publick to amount to at least one million of pounds *sterling per annum*.

Eleventhly, Their *Toleration of different Opinions in matters of Religion*: by reason whereof many *industrious People* of other Countreys, that dissent from the *Established Government* of their own *Churches*, resort to them with their Families and Estates, and after a few years *cobhabitation* with them, become of the same *Common interest*.

Twelfthly,

Twelftly, Their *Law-Merchant*, By which all Controversies between Merchants and Tradesmen are decided in three or four days time, and that not at the fortiethpart (I might say in many cases not the hundredth part) of the charge they are with us.

Thirteenthly, The Law that is in use among them for *transference* of *Bills for Debt* from one man to another : This is of extraordinary advantage to them in their *Commerce*; by means whereof, they can turn their Stocks twice or thrice in Trade, for once that we can in *England*; for that having sold our Forreign Goods here, we cannot buy again to advantage, till we are possest of our Money ; which it may be we shall be six, nine, or twelve Months in recovering : And if what we sell be considerable, it is a good man's work all the Year to be following Vintners, and Shopkeepers for Money. Whereas, were the Law for Transferring Bills in practise with us, we could presently after sale of our Goods, dispose of our Bills ; and close up our accounts. To do which, the advantage, ease, and accommodations it would be to Trade, is so great, that none but Merchants that have lived where that custom is in use, can value to its due proportion.

Fourteenthly, Their keeping up **PUBLICK REGISTERS** of all Lands and Houses, Sould or Mortgaged, whereby many chargeable *Law-Suits* are prevented, and the securities of Lands and Houses rendred indeed, such as we commonly call them, **REAL SECURITIES**.

Lastly, The *lowness of Interest of Money* with them, which in peaceable times, exceeds not three per cent *Per annum*; and is now during this War with *England*, not above four per cent at most.

Some more Particulars might be added, and those aforesaid further improved ; were it my purpose to discourse at large of Trade. But seeing most of the former Particulars are observed and granted by all men that make it any part of their business, to inspect the true nature and principles of Trade ; but the last is not so much as taken notice of by the most Ingenious, to be any cause of the great encrease of the Riches and Commerce of that people;

I shall therefore in this Paper confine my self to write principally my Observations touching that, *viz.* *whether People have received, and may receive, by reducing the Interest of Money to a very Low Rate.*

This in my poor opinion, is the *CAUSA CAUSANS* of all the other causes of the Riches of that people ; and that if Interest of Money were with us reduced to the same rate, it is with them, in *worlds* in a short time render us as Rich and Considerable in Trade as they are now, and consequently be of greater damage to them, and advantage to us, then can happen by the Issue of this present War, though the success of it should be as good as we can wish, except it end in their Total Ruine and Extirpation.

To illustrate this, let us impartially search our Books, and enquire what the state and condition of this Kingdom was, as to Trade and Riches, before any Law concerning Interest of Money was made. The first whereof that I can find, was *Ann 1545.* and we shall be informed that the Trade of *England* then was Inconsiderable, and the Merchants very mean and few : And that afterwards, *viz. Anno. 1635.* within ten Years after Interest was brought down to eight *per cent.* there was more Merchants to be found upon the *Exchange* worth each One thousand Pounds and upwards, then were in the former dayes, *viz.* before the Year 1600. to be found worth One hundred Pounds each.

And now since Interest hath been for about twenty Years at six *per cent.* notwithstanding our long civil Wars, and the great complaints of the deadnes of Trade, there are more men to be found upon the *Exchange* now worth Ten thousand pounds Estates, then were then of One thousand pounds.

And if this be doubted, let us aske the aged, whether five hundred pounds Portion with a Daughter sixty Years agoe, were not esteemed a larger Proportion then Two thousands pounds is now : And whether Gentlewoman in those dayes would not esteeme themselves well cloathed in a Sarge Gown, which a Chamber-Maid now will be ashamed to be seen in : Whether our Citizens and middle sort of Gentry now are not more rich in Cloaths, Plate, Jewels, and Houshold Godds, &c. then the best sort of Knights and Gentry were in those dayes. And whether our best sort

sort of Knights and Gentry now, do not exceed by much in those things the Nobility of England sixty Years past : Many of whom then would not go to the price of a whole Sattin Doublet ; the Embroiderer being yet living, who hath assured me he hath made many hundreds of them for the Nobility with Canvas backs.

Which way ever we take our measures, to me it seems evident, that since our first abatement of Interest, the Riches and Splendor of this Kingdom is increased to above four (I might say above six) times so much as it was.

We have now almost One hundred Coaches for one we had formerly. We with ease can pay a greater Tax now in one Year, then our Fore-fathers could in twenty.

Our *Customes* are very much improved : I believe above the proportion aforesaid, of six to one, which is not so much in advance of the Rates of Goods, as by encrease of the bulke of Trade ; for though some Foreign Commodities are advanced, others of our Native Commodities, and Manufactures are considerably abated, by the last Book of Rates.

I can my self remember since there were not in London used so many Wharfs or Keys for the Landing of Merchants Goods, by at least one third part as now there are : And those that were then, could scarce have Employment for half what they could do ; and now notwithstanding one third more used to the same purpose, they are all too little in a time of Peace, to Land the Goods at, that come to London.

If we look into the Countrey, we shall find Lands as much Improved since the abatement of Interest, as Trade, &c. in Cities ; that now yeelding twenty Years purchase, which then woud not have sold for above eight or ten at most.

Besides, the Rent of Farmers have been for these last thirty years much advanced ; and although they have for these three or four last years fallen, that hath no respect at all to the lowness of Interest at present, nor to the other mistaken reasons which are commonly assigned for it.

But principally to the vast Improvement of Ireland, since a great part of it was lately possesst by the Industrious English, who were Soldiers in the Late Army ; And the late great Land Taxes.

More

More might besaid, but the Premises being considered, I judge will sufficiently demonstrate how greatly this Kingdom of *England* hath been advanc'd in all respects for these last fifty years: And that the abatement of Interest hath been the cause thereof, to me seems most probable; because as it appears it hath been in *England*, so I find it is at this day in all *Europe*, and other parts of the World: In somuch that to know whether any Country be rich or poor, or in what proportion it is so, no other question needs to be resolved, but this, viz. *What Interest do they pay for Money?* Next home we see it evidently, in *Scotland* and *Ireland*, where ten and twelve per cent. is paid for Interest, the people are poor and despicable, their Persons illcloathed, their Houses worse provided, and Money is tolerably scarce, notwithstanding they have great plenty of all provisions, nor will their Land yield above eight or ten years purchase at most.

In *France* where Money is at seven per cent., their Lands will yield about eighteen years purchase; and the Gentry who may possess Lands, live in good condition, though the *Peasants* are little better then Slaves, because they can possess nothing but at the will of others.

In *Italy* Money will not yield above three per cent. to be let out upon real Security, there the people are rich, full of Trade, well attired, and their Lands will sell at thirty five to fourty years purchase, and that it is so, or better, with them in *Holland*, is too manifest.

In *Spain* the usual Interest is ten and twelve per cent. and there, notwithstanding they have the only Trade in the World for Gold and Silver, Money is no where more scarce; the people poor, despicable, and void of Commerce, other then such as *Engl. b.*, *Dutch*, *Italians*, *Jews*, and other Foreigners bring to them; who are to them in effect, but as Leeches, who suck their blood and vital Spirits from them.

I might urge many other instances of this nature, not only out of Christendom: But from under the *Turks* Dominions; *East-India* and *America*: but every man by his Experience in Foreign Countries, may easily Inform himself, whether this Rule do universally hold true or not: For my own part, to satisfie my own curiositie, I have for some years, as occasion offer'd, dili-

sort of Knights and Gentry now, do not exceed by much in those things the Nobility of England fifty Years past: Many of whom then would not give the price of a whole Sattin Doublet; & c. Embroiderer being yet living, who hath assured me he hath made many hundreds of them for the Nobility with Canvas backs.

Which way ever we take our measures, to me it seems evident, that since our first abatement of Interest, the Riches and Splendor of this Kingdom is increased to above four (I might say above six) times so much as it was.

We have now almost One hundred Coaches for one we had formerly. We with ease can pay a greater Tax now in one Year, than our Fore-fathers could in twenty.

Our *Customes* are very much improved: I believe above the proportion aforesaid, of six to one, which is not so much in advance of the Rates of Goods, as by encrease of the bulke of Trade; for though some Foreign Commodities are advanced, others of our Native Commodities, and Manufactures are considerably abated, by the last Book of Rates.

I can my self remember since there were not in London used so many Wharfs or Keys for the Landing of Merchants Goods, by at least one third part as now there are: And those that were then, could scarce have Employment for half what they could do; and now notwithstanding one third more used to the same purpose, they are all too little in a time of Peace, to Land the Goods as that come to London.

If we look into the Countrey, we shall find Lands as much Improved since the abatement of Interest, as Trade, &c. in Cities; that now yeelding twenty Years purchase, which then would not have sold for above eight or ten at most. Besides, the Rent of Farmers have been for these last thirty years much advanced; and although they have for these three or four last years fallen, that hath no respect at all to the townes of Interest at present, nor to the other mistaken reasons which are commonly assigned for it.

But principally to the vast Improvement of Ireland, since a great part of it was lately possessed by the Indulgentious English, who were Soldiers in the Late Army; And the late great Land Taxes.

More

More might be said, but the Premises being considered, I judge will sufficiently demonstrate how greatly this Kingdom of *England* hath been advanc'd in all respects for these last fifty years: And that the abatement of Interest hath been the cause thereof, to me seems most probable; because as it appears, it hath been in *England*, so I find it is, at this day in all *Europe*, and other parts of the World: Insomuch that to know whether any Country be rich or poor, or in what proportion it is so, no other question needs to be resolved, but this, *viz.* *What Interest do they pay for Money?* Near home we see it evidently, in *Scotland* and *Ireland*, where ten and twelve per cent. is paid for Interest, the people are poor and despicable, their Persons ill cloathed, their Houses worse provided, and Money intollerably scarce, notwithstanding they have great plenty of all provisions, nor will their Land yield above eight or ten years purchase at most.

In *France* where Money is at seven per cent., their Lands will yield about eighteen years purchase; and the Gentry who may possess Lands, live in good condition, though the Peasants are little better then Slaves, because they can possess nothing but at the will of others.

In *Italy* Money will not yield above three per cent. to be let out upon real Security; there the people are rich, full of Trade, well attired, and their Lands will sell at thirty five to fourty years purchase, and that it is so, or better, with them in *Holland*, is too manifest.

In *Spain* the usual Interest is ten and twelve per cent. and there, notwithstanding they have the only Trade in the World for Gold and Silver, Money is no where more scarce; the people poor, despicable, and void of Commerce, other then such as *Englsh*, *Dutch*, *Italians*, *Jews*, and other Foreigners bring to them; who are to them in effect, but as Leeches, who suck their blood and vital Spirits from them.

I might urge many other instances of this nature, not only out of Christendom: But from under the *Turks* Dominions; *East-India* and *America*: but every man by his Experience in Foreign Countries, may easily Inform himself, whether this Rule do universally hold true or not: For my own part, to satisfie my own curiosity, I have for some years, as occasion offer'd, diligently

gently enquired of all my acquaintance that had knowledge of foreign Countries, and I can truly say that I never found it to fail in any particular Instance.

Now if upon what hath been said, it be granted that *de facto*, this Kingdom be richer at least four-fold, ( I might say eight fold ) then it was before any Law for Interest was made, and that all Countries are at this day richer or poorer in an exact proportion to what they pay, and have usually paid for the Interest of Money ; it remains that we enquire carefully, whether the abatement of Interest be in truth the Cause of the Riches of any Country, or only the Concomitant or Effect of the Riches of a Country ; in which seems to lie the Intricacy of this Question.

To satisfy my self wherein, I have taken all opportunities to discourse this point, with the most Ingenious men I had the Honour to be known to, and have search't for, and read all the Books that I could ever hear were printed against the Abatement of Interest, and seriously considered all the Arguments and Objections used by them against it : All which have tended to confirm me in this opinion, which I humbly offer to the consideration of wiser Heads, viz. **THAT THE ABATEMENT OF INTEREST IS THE CAUSE OF THE PROSPERITY AND RICHES OF ANY NATION**, and that the bringing down of Interest in this Kingdome, from six to four, or three per cent, will necessarily, in less then twenty Years time, double the Capital Stock of the Nation.

The most material Objections I have met with against it, are as follows :

Object. 1. To abate Interest, will cause the Dutch and other People that have money put out at interest in England, by their Friends and Factors, to call home their Estates, and consequently will occasion a great scarcity and want of Money amongst us.

To this I answer, That if Interest be brought but to four per cent, no Dutchman will call in his Money that is out upon good Security in England, because he cannot make above three per cent. of it upon interest at home. But if they should call home all the Money they have with us at Interest, it would be better for us than if they did it not; for the Borrower is always a slave to the Lender, and shall be sure to be always kept poor, while the other is fat and

and full: *HE THAT USETH A STOCK THAT IS NON~~Z~~ OF HIS OWN, BEING FORCED FOR THE UPHOLDING HIS REPUTATION TO LIVE TO THE FULL, IF NOT ABOVE THE PROPORTION OF WHAT HE DOETH SO USE, WHILE THE LENDER POSSES- SING MUCH. AND USING LITTLE OR NONE, LIVES ONE~~Z~~ AT THE CHARGE OF WHAT HE USETH, AND NOT OF WHAT HE HATH.*

Besides, if with this Law for abatement of Interest, a Law for Transferring Bills of Debt should pass, we should not miss the Dutch Money, were it ten times as much as it is amongst us; for that such a Law will certainly supply the defect of at least one half of all the ready money we have in use in the Nation.

Object. 2. *If Interest be abated, Land must rise in purchase, and consequently Rents; and if Rents, then the fruits of the Land; and so all things will be dear, and how shall the Poor live? &c.*

Ans<sup>w</sup>. To this I say, If it follow that the fruits of our Land, in consequence of such a Law for abatement of Interest, grow generally dear, it is an evident demonstration that our People grow richer; for generally, wherever Provisions are for continuance of years dear in any Country, the People are rich; and where they are most cheap throughout the World, for the most part the People are very poor.

And for our own Poor in England, it is observed, That they live better in the dearest Countries for Provisions, than in the cheapest, and better in a dear year than in a cheap, (especially in relation to the publique Good) for that in a cheap year they will not work above two days in a week; their humour being such, that they will not provide for a hard time; but just work so much and no more, as may maintain them in that mean condition to which they have been accustomed.

Object. 3. *If Interest be abated, Usurers will call in their Money; if some few Gentlemen do, whose Estates are Mortga- ged? &c.*

Ans<sup>w</sup>. I answer, That when they know they can make no more of their money by taking out of one, and putting it in another hand, they will not be so forward as they threaten, to alter that Security they know is good, for another that may be bad: Or if they

they should do it, our Laws are not so severe, but that Gentlemen may take time to dispose of part of their Land, which immedately after such a Law will yield them thirty years purchase at least, and much better it is for them so to do, than to abide longer under that consuming Plague of War, which hath sensibly destroyed very many of the best Families in England, as well of our Nobility as Gentry.

Object. 4. As Interest is now at six per cent. the King's Majesty upon any emergency can hardly be supplied; and if it should be reduced to four per cent. How shall the King find a considerable sum of Money to be lent him by his People?

Ans. I answer, The abatement of Interest to the People, is the abatement of Interest to the King, when he hath occasion to take up money: For what is borrowed of the City of London, or other Bodies Politique, nothing can be demanded but the legal Interest; and if the King have occasion to take up money of private persons, being his Majesty, according to good right, is above the common course of Law, the King must and always hath given more than the legal Rate. As for instance: The legal Rate is now six per cent. but his Majesty, or such as have disposed of his Majesties Exchequer-Tallies, have been said to give ten and twelve in some cases; and if the legal Rate were ten, his Majesty might probably give thirteen or fourteen: So if Interest be brought to four per cent. his Majesty in such cases as he now gives ten, must give six or seven; by which his Majesty would have a clear advantage.

Object. 5. If Interest be abated, it will be a great prejudice to Widows and Orphans, who have not Knowledge and Abilities to improve their Estates otherwise, and leaving son like unto them.

Ans. I answer, That by our Law now, Widows and Orphans can recover no interest from their Parents Executors, except to be left fully and absolutely to the Executors to dispose and put out Money at the discretion of the Executors, for the profit and loss of the Heirs and Orphans: And if it be so left to the Executors discretion, they may improve the moneys, by the sale of Trade, or purchase of Lands and Leases, as well as by any other means; or when not, the damage such Widows and Orphans will sustain in their property, (being but a small sum) is insconiderable compared to the great

great advantage will accrue to the Nation in general by such a  
batement of Interest. As is usual among nations, when a Law is  
made, all men will so take  
care in their Lise to provide for and educate their Children, and in-  
struct their Wives, as that no prejudice can happen thereby; as  
we see heretofore in Holland and Leyden and other places where  
Interest is so low, where no charge is made for giving birth  
and bringing up children, and the like.

Having now offered my thoughts in answer to the aforesaid Ob-  
jections, it will not be amiss, that we consider who will be ad-  
vantaged, and who will receive prejudice, in case such a Law be  
made.

First, His Majesty, as hath been said in answer to that Objec-  
tion, will, when he hath occasion, take up Money on better  
terms. Besides which, He will receive a great augmentation to his  
Revenue thereby, all his Lands being immediately worth, after  
the making such a Law, double to what they were before; his  
Customs will be much increas'd by the increase of Trade, which  
must necessarily issue, upon the making such a Law.

The Nobility and Gentry, whose Estates lie mostly in Land, may  
presently upon all they have, instead of fifty, write one hundred.  
The Merchants and Tradesmen, who bear the heat and burthen  
of the day, (most of our Trade being carried on by young men  
that take up money at Interest) will find their Load in high Degree  
on their Shoulders, and be encouraged to go on with greater ad-  
dacity in their business.

Our Farmers sell the product of their Lands at better rates.  
And whereas our neighbours the Netherlanders (who in regard  
of the largeness of their Stocks, and Experience, the Sons espe-  
cially succeeding the Fathers in Trade to many Generations,  
we may not easily in this case term Sons of Anach, and men of  
renown) against whom we fight, Divers and Pilfers in Stocks  
(and especially being younger Brothers of Gentlemen, that sel-  
dom have above one thousand pounds, sometimes not two Hun-  
dred) in having the world up to them, have been young men  
one

and small Stocks ( if this Law pass ) we shall bring forth our Sampsons and Goliachs in Stocks, subtily, and experience in Trade to coape with our potent Adversaries on the other side ; there being to every mans knowledge that understands the Exchange of London, divers English Merchants of large Estates, which have not much past their middle-age, and yet have wholly left off their Trades, having found the sweetness of Interest, which if that should abate, must again set their bands to the Plough ( which they are as able to hold and govern now as ever ) and also will engage them to train up their Sons in the same way, because it will not be so easie to make them Country Gentlemen as now it is , when Land sell at thirty or fourty years purchase.

For the Sufferers by such a Law, I know none but idle persons that lives at as little expence as labour, Neither scattering by their expences, so as the Poor may Glean any thing after them, nor working with their hands or heads to bring either Wax, or Honey to the common Hive of the Kingdom ; but swelling their own Purses by the sweat of other mens brows, and the contrivances of other mens brains : And how unprofitable it is for any Nation, to suffer IDLENESS TO SUCK THE BREASTS OF INDUSTRY ; needs no Demonstration. And if it be granted me, that these will be the effects of an Abatement of Interest, then I think it is out of doubt, that the Abatement of Interest doth tend to the enriching of a Nation, and consequently, hath been one great cause of the Riches of the Dutch and Italians : And the increase of the Riches of our own Kingdom, in these last fifty years.

Another Argument to prove which, we may draw from the Nature of Interest it self, which is of so prodigious a Multiplying nature, that it must of necessity make the Lenders monstrous rich, (if they live at any moderate expence) and the Borrowers extream poor : A memorable instance whereof, we have in Old Audley deceased, who did wisely observe, That one hundred pounds only, put out at Interest at ten per cent. doth in seventy years (which is but the Age of a Man) increase to above one hundred thousand pounds : And if the advantage be so great to the Lender, the loss must be greater to the Borrower, who ( as hath been said ) lives at a much larger expence. And as it is between private Persons, so between Nation and Nation, that have Communication

one with another. For whether the Subjects of one Nation lend Money to Subjects of another, or Trade with them for Goods, the effect is the same. As for example; A Dutch Merchant that hath but four or five thousand pounds clear Stock of his own, can easily borrow and have credit for fifteen thousand pounds more at three per cent, "at home; with which, whether he Trade or put it to Use in *England*, or any Country where Interest of Money is high, he must necessarily (without very evl accidents attend him) in a very few years, treble his own Capital.

This discovereth the true cause, why the *Sugar-Bakers* of *Holland* can afford to give a greater prize for *Barbadoes Sugars* in *London*, besides the second Freight and Charges upon them between *England* and *Holland*, and yet grow exceeding rich upon their Trade: Whereas our *Sugar-Bakers* in *London*, that buy their Sugars here at their own doors, before such additional Freight and Charges come upon them, can scarce live upon the *Callings*, ours here paying for a good share of their Stocks six per cent, and few of them employ in their *Sugar-works*, above six to ten thousand pounds at most: Whereas in *Holland* they employ twenty, thirty, to fourty thousand pounds Stock in a *Sugar-House*, paying but three per cent at most for what they take up at Interest, to fill up their said Stocks, which is sometimes half, sometimes three quarters of their whole Stocks. And as it is with this Trade, the same rule holds throughout all other Trades whatsoever. And for us to say, if the *Dutch* put their Money to Interest among us, we shall have the advantage by being full and flush of Coin at home; it is a meer *Chymera*, and so far from an advantage, that it is an extremal loss, rendring us only in the condition of a young Gallant, that hath newly Mortgaged his Land, and with the Money thereby raised, stuffes his Pockets, and looks big for a time, not considering that the draught of *Cordial* he hath received, though it be at present grateful to his pallat, doth indeed prey upon his vital Spirits; and will in a short time render the whole body of his Estate in a deep Consumption; if not wholly consumed: Besides, whatever Money the *Dutch* lends us, they always keep one end of the Chain at home in their own hands; by which they can pull back when they please their *Lean-kine*, which they send hither to be fatted.

This makes me to conclude that Moses (that wiser Legislator) in his forbidding the Jews to lend money at usse one to another, and in permitting them to lend their ratisne to strangers, ordained that Law as much to prevent a Religious discontent; knowing that by the latter they should enrich their own Nation, and by the former no publick Good could issue; the consequence being only to impoverish one to make another rich.

This likewise takes off the wonder how the People of Israel, out of so small a Territory as they possessed, could upon all occasions set forth such vast and numerous Armies (almost incredible) as all Histories, Sacred and Prophane, report they did; which is neither impossible nor strange to day that have well considered the effects of their Laws concerning Usury, which were sufficient to make any barren Land fruitful, and a fruitful Land an entire Garden, which by consequence would maintain ten times the number of Inhabitants that the same Tract of Land would do where no such Laws were.

To conclude, It is (I think) agreed on by all, That *Merchants*, *Artificers*, *Farmers of Land*, and such as depend on them (which for brevity sake we may here include under one of these general terms) *viz.* *Sellemen*, *Fishermen*, *Breeders of Cattel*, *Gardners*, &c. are the three sorts of People which by their study, and labours do principally, if not only, bring in Wealth to a Nation from abroad; other kinds of People, *viz.* *Nobility*, *Gentry*, *Lawyers*, *Physicians*, *Scholars* of all sorts, and *Shopkeepers*, do only hand it from one to another at home. And if abatement of Interest (besides the general benefit it brings to all, except the *Griping Dronish Usurer*) will add new life and motion to those most profitable Engines of the Kingdom (as I humbly suppose) will be manifest upon serious consideration of what hath been said, then I think it will be out of doubt that abatement of Interest is the Cause of increase of the Trade and Riches of any Kingdom.

# SVPPLEMENT

The foregoing Discourse I wrote in the Sickness-Summer at my Country-Habitation, not then intending to publish it, but only to communicate it to some honourable and ingenuous Friends of the present Parliament, who were pleased to take Copies of it for their more deliberate consideration and digestion of the Principles therein asserted; which at first were strange to them, as I expect they will be to most others, till they have spent some time in thinking of them; after which, I doubt not but all men will be convinced of the Truth of them, that have not some private Interest of their own against them, ~~externa~~ <sup>to the</sup> general Good of the Kingdom. For sure I am they have a Foundation, in nature, and that according to the excellent Sir William Petty's Observation in his late Discourse, concerning Taxes, *Res nolunt male Administrare*: Nature must and will have its course, the master in England is prepared for an Abatement of Interest, and it cannot long be obstructed; and after the next Abatement, who ever lives forty years longer, shall see a second Abatement; for we shall never stand on even ground in Trade with the Dutch, till Interest be the same with us as with them.

His M<sup>t</sup> R<sup>t</sup> was greatly pleased at the opening of the last Session of this Parliament, to propose to the consideration of both Houses, the Battalizing of the Trade of the Nation; to effect which, in my opinion, the Attachment of Interest is the first and principal Engine, which ought to be set on work, which notwithstanding, I should not have presumed to expose it to publick censure, on my own single opinion; if I had not had the

concurrance of much better Judgments then my own; having never seen any thing in print for it ( though much against it ) until the latter end of January last, at which time, a Friend whom I had often discoursed with, upon this subject, met with by accident a small Tract to the same purpose, wrote near 5 or 6 years agoe, which he gave me; and I have, for publicke good, thought fit to annex it hereunto, *verbatim*.

The Author of the said Tract, by the stile thereof, seems to have been a *Country Gentleman*, and my Education hath mostly been that of a *Merchant*, so I hope that going together, they may in some measure, supply the defects of each other.

Another Reason that induced me to the printing of them together, is, because what he wrote then would be the consequences of the Abatement of Interest from ten to six per cent. I have I think fully proved to the Conviction of all men not wilfully blind, have been the real effects thereof, and that to a greater proportion then he did premise, every Paragraph whereof, was writ by me, and Copies thereof delivered to several worthy Members of this *Parliament*, many Months before ever I saw or heard of this, or anything else, Writ or Printed to the like purpose.

What I have aimed at in the whole, is the good of my Native Country, otherwise I had not busied my self about it, for I want not employment sufficient of my own, nor have reason to be out of love with that I have.

The several Particulars in the beginning of this Treatise, relating to Trade, I have only hinted in general terms; hoping that some abler Pen, will hereafter be incited for the service of his *King and Country*, to enlarge more particularly upon them.

Before I conclude, though I have studi'd brevity in the whole, I cannot omit the inserting of one *Objection* more, which I have lately met with, to the main design of this Treatise, *viz.*

*Object.* It is said that the lowness of Interest of Money in *Holland*, is not the *EFFECT OF LAWS*, but proceeds only *FROM THEIR ABUNDANC THEREOF*, for that in *Holland*, there is no Law limitting the rate of Usury.

*Answer,*

*Ans<sup>w</sup>. 1.* I answer, that it may be true, that in Holland there hath not lately been any Law, to limit Usury to the present rate it is now at, i. e. three or four per cent. although most certain it is, that many years since, there was a Law that did limit it to five or six at most: And by consequence, there would be a renewing of that Law to a lesser rate, were it necessary at this time; It having always been the Policy of that People to keep down the Interest of their money, three or four per cent. under the rate of what is usually paid in their Neighbouring Countries, which (being now naturally done) it is needless to use the artificial Stratagem of a Law to Establish.

*Ans<sup>w</sup>. 2.* Although they have no Law expressly, limiting Interest at present, yet they have other Laws which we cannot yet arrive to, which do effect the same thing among them, and would do the like among us, if we could have them: One whereof, is, their ascertaining **REAL SECURITIES** by their **PUBLIC REGISTERS**: for we see evidently Money is not so much wanting in England as *Securities*, which men accompt Infallible; a remarkable instance whereof is; the *East-India Company*, who can and do take up what Money they please, for four per cent. at any time.

Another Law is, Their constitution of **BANKS** and **LUMBARDS**, whereby private persons that have but tollerable credit, may be supplied at easie rates from the State.

A third, and very considerable one, is, Their *Law for transferring Bills of Debt*, mentioned in the beginning of this Discourse.

¶ A fourth, which is a Custom, and in effect may be here to our purpose accompted as a Law, is the extraordinary Frugality used in all their *Publique Affairs*, which in their greatest Extreamities have been such, as not to compel them to give above four per cent. for the loan of money. Whereas it is said, *His Majesty in some cases of exigency, when the National Supplies have not come in to answer the present Emergencies of Affairs, hath been inforced to give above the usual Rates to Goldsmiths*; and that encouraged them to take up great sums from private Persons at the full rate of six per cent. whereas formerly they usually gave but four per cent.

Otherwise, in humane probability, money would have fallen of it self to four per cent:

But again, To conclude, Every Nation does proceed according to peculiar Methods of their own in the Transaction of their publick Affairs and Law-making: And in this Kingdom it hath always been the Custom to reduce the Rate of Interest by a Law, when Nature had prepared the matter fit for such an alteration as now I say it hath. By a Law it was reduced from an unlimited rate, to ten; and afterwards from ten to eight; after that, from eight to six. And through the blessing of Almighty God, this Kingdom hath found, as I think I have fully proved, and every mans experience will witness, prodigious success and advantage thereby. And I doubt not, through the like Blessing of God Almighty, but this Generation will find the like great and good effects, by the reduction of it from six to four, which is now at the Birth. And that the next Generation will yet see far greater advantage by bringing it from four to three per cent.

---

